

**UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND  
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO,

Debtor.<sup>1</sup>

PROMESA  
Title III

No. 17 BK 3283-LTS  
(Jointly Administered)

**Re: ECF Nos. 10104, 10615**

**AAFAF’S LIMITED JOINDER TO THE OPPOSITION OF FINANCIAL OVERSIGHT  
AND MANAGEMENT BOARD FOR PUERTO RICO TO MOTION OF ASSURED  
GUARANTY CORP., ASSURED GUARANTY MUNICIPAL CORP., AMBAC  
ASSURANCE CORPORATION, NATIONAL PUBLIC FINANCE GUARANTEE  
CORPORATION, AND FINANCIAL GUARANTEE INSURANCE COMPANY FOR  
RELIEF FROM THE AUTOMATIC STAY OR, IN THE ALTERNATIVE,  
ADEQUATE PROTECTION [ECF NO. 10104]**

To the Honorable United States District Court Judge Laura Taylor Swain:

The Puerto Rico Fiscal Agency and Financial Advisory Authority (“AAFAF”), as fiscal agent for the Commonwealth of Puerto Rico (the “Commonwealth”) and the Puerto Rico Convention Center District Authority (“CCDA”), submits this limited joinder to the Opposition filed by the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”) to the *Motion of Assured Guaranty Corp., Assured Guaranty Municipal Corp., Ambac Assurance*

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<sup>1</sup> The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (the “Commonwealth”) (Bankruptcy Case No. 17-BK-3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17-BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“CCDA”) (Bankruptcy Case No. 17-BK-3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17-BK-3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17-BK-4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority (“PBA”) (Bankruptcy Case No. 19-BK-5523-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

*Corporation, National Public Finance Guarantee Corporation and Financial Guaranty Insurance Company For Relief From the Automatic Stay, Or, In The Alternative, Adequate Protection*, ECF No. 10104<sup>2</sup> (the “CCDA Lift Stay Motion”) [ECF No. 10615] (the “CCDA Opposition”).<sup>3</sup> Solely to the extent set forth herein, AAFAF hereby joins in the Opposition and requests that the CCDA Lift Stay Motion be denied for the reasons stated below:

1. AAFAF joins the Oversight Board’s arguments with respect to the Movants’ lack of entitlement to relief from the stay as against the Commonwealth or CCDA; the limited scope of Movants’ security interest, if any; and Movants’ lack of any property right in CCDA’s Retained Occupancy Tax Revenues or the Occupancy Tax Revenues retained by the Commonwealth.

2. For these reasons alone, the Court should deny the CCDA Lift Stay Motion.

### **RESERVATION OF RIGHTS**

3. In the CCDA Opposition, the Oversight Board argues that the CCDA Lift Stay Motion should be denied, in part, because the Tax Act invoked by Movants is preempted by PROMESA because those provisions are inconsistent with the appropriations the Oversight Board approved in the certified budget.<sup>4</sup>

4. Given the threshold reasons that exist to deny the relief sought in the CCDA Lift Stay Motion, AAFAF believes the Court need not decide this preemption argument at this time, and thus requests that the Court not address it. AAFAF reiterates its reservation of all rights with respect to preemption under Titles I and II of PROMESA including, without limitation, with respect to the limits of the Oversight Board’s budgeting power, and the enforceability of the

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<sup>2</sup> All ECF numbers refer to the docket in Case No. 17-3283 unless otherwise stated.

<sup>3</sup> Capitalized terms not defined herein shall have meanings ascribed to them in the CCDA Opposition.

<sup>4</sup> PROMESA has been codified in 48 U.S.C. §§ 2101–2241.

Puerto Rico Emergency Moratorium and Financial Rehabilitation Act, Act No. 21–2016 and Executive Orders issued pursuant thereto.

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Dated: February 3, 2020  
San Juan, Puerto Rico

Respectfully submitted,

/s/ John J. Rapisardi

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